



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Acro Paints Limited**

**Opinion**

We have audited the accompanying Financial Statements of **Acro Paints Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, and the statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its Profit including other comprehensive income, Changes in Equity and its Cash Flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

Sr No.	Key Audit Matter	Description of Key Audit Matter	How Key Audit Matter was Addressed in our Audit
1.	Property, Plant and Equipment	Property, plant and equipment requires the management to exercise significant judgment in relation to the estimate of depreciable lives of the assets considering the technical factors which may affect the useful life expectancy of the assets and therefore could have a material impact on the depreciation expense for the year. The management reviews the estimated	Our audit procedures in relation to the depreciable life of Property, Plant and Equipment include: Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment.  Placing the reliance on the technical



		depreciable lives and the residual value of property, plant and equipment annually.	<p>assessment of Engineer for complexity involved in the residual value of plant &amp; machinery.</p> <p>Review of the internal assessment done by the management.</p> <p>Assessment of appropriateness of disclosures provided in the Financial Statements.</p> <p>Based on the above procedures performed, estimation for determination of useful lives and residual value of property, plant and equipment considered to be adequate and reasonable.</p>
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### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

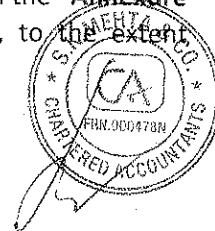
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



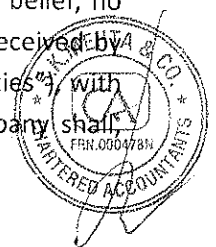
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, statement of changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There are no pending litigations which may have impact on the financial position of the Company.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company



whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

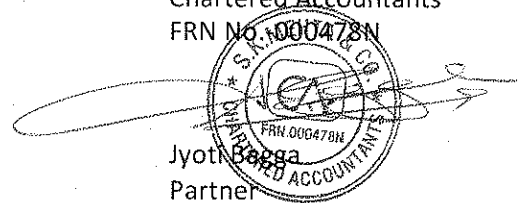
v) The Company has not declared or paid any dividend for the Financial Year 2023-24, hence compliance under section 123 of the Companies Act, 2013 is not applicable to the Company.

vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Place of Signature: New Delhi  
Date: 30<sup>th</sup> April, 2024

For S. K. Mehta & Co.  
Chartered Accountants  
FRN No. 1000478N



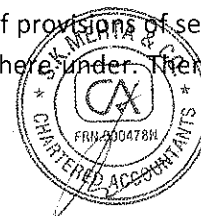
Jyoti Baga  
Partner

M. No.087002  
UDIN: 24087002BKBMTR3874

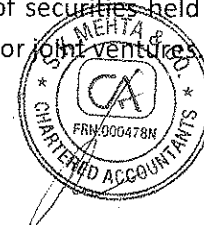
**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ACRO PAINTS LIMITED FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2024.**

(Referred to in Paragraph 1 under "Other Legal and regulatory requirements" of our report of even date)

- i) In respect of its Property, Plant and Equipment and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets on the basis of available information.
- (B) The Company has maintained proper records showing full particulars of Intangible assets.
- b) As explained to us, Property, Plant & Equipment and right-of-use assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) According to information and explanations given to us, all the title deeds of immovable properties of the company are held in the name of the company.
- d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories has been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory.
- b) As per the information and explanation given to us and examination of books of accounts and other records produced before us, company has not availed loans against the current assets of the company.
- iii) The Company has not made any investments, and has also not provided any guarantee or security or granted any loan and advances in the nature of loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence, reporting under clause 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- iv) The Company has not made any investments, granted any loan, provided any Guarantee and security. Accordingly, compliance of provisions of Section 185 and 186 of the Companies Act are not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Therefore, the clause 3 (v) of the Order is not applicable to the Company.



- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under Section 148(1) of the Companies Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) According to the records of the Company examined by us, undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other material statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as March 31, 2024 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute except demand of department of Central Effluent Treatment Plant (CETP) under CETP Act 2000, of Rs. 23.56 Lacs for the Financial Year 2015-16, Company has filed appeal before the Hon'ble High Court Rajasthan.
- viii) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or in the payment of interest thereon to the lender.
- b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) In our opinion, and according to the information and explanations given by the management and records examined by us, the money raised by way of term loans during the year have been applied, prima facie, for the purpose for which they were obtained.
- d) According to the information and explanations given to us, and the audit procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its fellow subsidiaries and associates. Further, Company do not have any subsidiaries or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its fellow subsidiaries or associates. Further, Company do not have any subsidiaries or joint ventures.



- x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence clause 3(x)(a) of the Order is not applicable to the Company.
- b) In our opinion, and according to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or convertible debentures during the year and accordingly the requirements of compliance of section 42 & section 62 of the Companies Act, 2013 are not applicable.
- xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section 12 of section 143 of the Act has been submitted filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this audit report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and accordingly, provisions of clause 3(xi)(c) of the order are not applicable.
- xii) In our opinion company is not a Nidhi company. Therefore, the provisions of clause 3(xii)(a), (b) & (c) of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) The requirements of internal Audit are not applicable to the company. Therefore, the provisions of clause 3(xiv)(a) & (b) of the Order are not applicable to the Company.
- xv) In our Opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) of the Order is not applicable.
- xvi) a) According to the information and explanations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(b) of the Order are not applicable.
- b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- c) There is no Group of the Core Investment Company (CIC) as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.
- xvii) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause 3(xviii) of the Order are not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios,





ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) In our opinion and based on explanation received, company is not required to spent CSR expenditure till 31.03.2024, therefore reporting under clause 3(xx) of the Order is not applicable.

For S. K. Mehta & Co.  
Chartered Accountants  
(Firm Reg. No. 000478N)

Place: New Delhi  
Date of Signature: 30<sup>th</sup> April, 2024



Jyoti Bagga  
Partner  
M.No.087002

UDIN: 24087002BKBMTR3874

## **Annexure "B" to the Independent Auditor's Report**

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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We have audited the internal financial controls with reference to the financial statements of **Acro Paints Limited** ('the Company') as of 31 March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over the Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

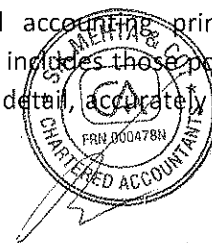
Our responsibility is to express an opinion on the Company's internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

### **Meaning of Internal Financial Controls with reference to the financial statements**

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly



reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to the financial statements**

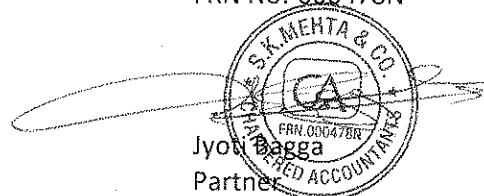
Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March, 2024, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place of Signature: New Delhi  
Date: 30<sup>th</sup> April, 2024

For S. K. Mehta & Co.  
Chartered Accountants  
FRN No.-000478N



Jyoti Bagga  
Partner

M. No. 087002  
UDIN: 24087002BKBMTR3874

ACRO PAINTS LIMITED  
CIN: U24119DL1989PLC036308  
BALANCE SHEET AS AT MARCH 31, 2024

Particulars	Note No.	(₹ in Cr)	
		31-Mar-24	31-Mar-23
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	2.73	4.89
Capital Work-in-Progress	2.1	41.26	0.02
Right to Use of Assets	2.2	0.76	0.31
Intangible Assets	3	0.00	0.00
		<b>44.75</b>	<b>5.23</b>
<b>Financial Assets</b>			
Other Financial Assets	4	2.53	3.69
Income Tax Assets (Net)	5	-	0.75
Deferred Tax Assets (Net)	6	1.01	0.56
Other Non-Current Assets	7	-	-
		<b>48.29</b>	<b>10.23</b>
<b>Current assets</b>			
Inventories	8	14.26	14.33
<b>Financial Assets</b>			
Trade Receivables	9	13.33	12.42
Cash and Bank Balances	10	7.94	11.82
Bank Balances others	11	10.18	1.98
Other Financial Assets	4	1.00	0.48
Other Current Assets	7	2.10	0.50
		<b>48.81</b>	<b>41.54</b>
<b>Non current assets held for sale</b>			
	7A	0.42	0.42
<b>TOTAL ASSETS</b>		<b>97.52</b>	<b>51.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	12	0.94	0.94
Other Equity	13	32.70	31.04
<b>Total Equity</b>		<b>33.64</b>	<b>31.97</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	-	0.26
Lease liabilities	14(A)	0.34	0.03
Provisions	16	1.50	0.74
Other non-current liabilities	17	-	-
		<b>1.84</b>	<b>1.03</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	18	0.02	0.18
Lease liabilities	14(A)	0.24	0.09
Trade payables			
Total outstanding dues of micro and small enterprises		1.78	-
Total outstanding dues of creditors other than micro and small enterprises	19	19.70	15.45
Other Financial Liabilities	15	1.28	1.94
Provisions	16	0.05	-
Other Current Liabilities	17	38.77	1.12
Income Tax Liability (Net)	5	0.20	-
		<b>62.04</b>	<b>18.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>97.52</b>	<b>51.77</b>
Material Accounting Policy Information	1		
The accompanying Notes are an integral part of Financial Statements	2-33		

As per Audit report of even date

For S.K.Mehta & Co.  
Chartered Accountants  
FRN No.-000478N



Jyoti Bagga  
Partner  
M No. 087002

Place of Signature : New Delhi

Dated: 30/04/2024

For and on behalf of the Board of Directors

*Raghavpat*  
Dr. Raghavpat Singhania  
Director  
DIN : 02426556

*Madhavkrishna*  
Madhavkrishna Singhania  
Director  
DIN : 07022433

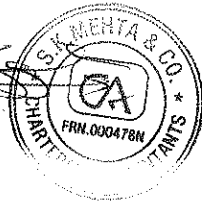
ACRO PAINTS LIMITED  
CIN: U24119DL1989PLC036308  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Note No.	₹ in Cr	
		Year ended 31 March 2024	Year ended 31 March 2023
<b>I. Revenue From Operations</b>	20	136.69	79.56
<b>II. Other Income</b>	21	1.50	0.80
<b>III. Total Income (I+II)</b>		<b>138.19</b>	<b>80.35</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	22	86.03	49.39
Changes in inventories of finished goods	23	0.15	0.38
Employee Benefits Expense	24	14.36	14.15
Finance Costs	25	0.11	0.05
Depreciation and Amortization on :			
a) Tangible Assets	2.43		0.99
b) Intangible Assets	0.01		0.00
Other Expenses	26	2.44	0.99
<b>Total Expenses (IV)</b>		<b>134.79</b>	<b>79.80</b>
<b>V. Profit before Exceptional Items and Tax (III-IV)</b>		<b>3.40</b>	<b>0.56</b>
VI. Exceptional Items		-	-
<b>VII. Profit before Tax (V+VI)</b>		<b>3.40</b>	<b>0.56</b>
<b>VIII. Tax Expense:</b>			
Current Tax		1.53	0.36
Deferred Tax		(0.45)	(0.10)
Earlier Year Tax Adjustments		0.20	-
<b>IX. Profit For The Year (VII-VIII)</b>		<b>2.13</b>	<b>0.29</b>
<b>X. Other Comprehensive Income:</b>			
A (i) Items that will not be reclassified to profit or loss	27	(0.61)	-
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		0.15	-
B (i) Items that will be reclassified to profit or loss		-	-
B (ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
<b>XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the Year)</b>		<b>1.66</b>	<b>0.29</b>
<b>XII. Earning per Equity Share (₹):</b>			
(1) Basic	28	226.84	31.45
(2) Diluted		226.84	31.45
Face Value Per Equity Share (₹)		100.00	100.00
Material Accounting Policy Information	1		
The accompanying Notes are an integral part of Financial Statements	2-33		

As per Audit report of even date

For S.K.Mehta & Co.  
Chartered Accountants  
FRN No.-000478N

Jyoti Bagga  
Partner  
M No. 087002



For and on behalf of the Board of Directors

Dr. Raghavpat Singhania  
Director  
DIN : 02426556

Madhavkrishna Singhania  
Director  
DIN : 07022433

Place of Signature : New Delhi

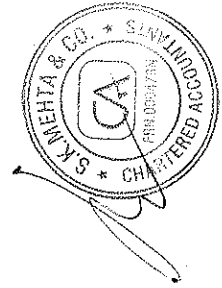
Dated: 30/04/2024

**ACRO PAINTS LIMITED**  
PROPERTY, PLANT AND EQUIPMENT FORMING PART OF BALANCE SHEET AS AT 31.03.2024

( ₹ in Crore)

Note No.2 & 3

PARTICULARS	GROSS CARRYING VALUE				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET CARRYING VALUE		
	AS ON 01.04.2023	ADDITIONS	SALE / ADJUSTMENTS	TOTAL	UPTO 31.03.2023	USEFUL LIFE (In Year)	DEPRECIATION FOR THE YEAR	SALE / ADJUSTMENTS	TOTAL	WDV AS ON 31.03.2024	WDV AS ON 31.03.2023
<b>2 - PROPERTY, PLANT &amp; EQUIPMENTS</b>											
BUILDING	3.27	0.01	2.22	1.06	0.54	30.00	1.65	1.86	0.33	0.73	2.73
MACHINERY	0.84	0.09	0.21	0.72	0.24	15.00	0.12	0.17	0.18	0.54	0.60
MACHINERY (NOT PUT TO USE)	0.07	-	0.04	0.03	-	-	-	-	-	0.03	0.07
LIFT	0.03	-	-	0.03	0.00	15.00	0.00	-	0.01	0.02	0.02
OFFICE EQUIPMENTS	0.04	0.09	0.01	0.12	0.02	5.00	0.04	0.01	0.05	0.06	0.02
FURNITURE & FIXTURES	0.11	0.04	-	0.14	0.04	10.00	0.03	-	0.07	0.06	0.07
ELECTRICAL EQUIPMENTS	0.04	0.02	0.04	0.02	0.02	10.00	0.01	0.02	0.00	0.02	0.03
LABORATORY EQUIPMENTS	0.25	0.87	-	1.12	0.02	10.00	0.20	-	0.22	0.69	0.22
COMPUTERS	0.08	0.21	-	0.29	0.05	3.00	0.07	-	0.13	0.17	0.03
AIR CONDITIONERS	0.01	0.02	-	0.03	0.01	5.00	0.01	-	0.02	0.02	0.00
WATER COOLERS	0.00	-	-	0.00	-	-	-	-	-	0.00	0.00
CARS	1.44	-	1.15	0.29	0.40	8.00	0.04	0.22	0.21	0.08	1.04
SCOOTERS	0.01	-	-	0.01	0.00	8.00	0.00	-	0.00	0.00	0.00
BIKE	0.01	-	-	0.01	0.00	8.00	0.00	-	0.00	0.01	0.01
GENERATORS	0.02	0.06	-	0.01	0.01	15.00	0.01	-	0.02	0.06	0.01
TRUCK LPT 1109	0.06	-	-	0.06	0.03	8.00	0.01	-	0.04	0.02	0.03
ECCO FLEXI GREEN DL-1LPT-1109	0.01	-	-	0.01	0.01	8.00	0.00	-	0.01	0.01	0.01
<b>Total - 2</b>	<b>6.28</b>	<b>1.41</b>	<b>3.67</b>	<b>4.03</b>	<b>1.40</b>		<b>2.19</b>	<b>2.29</b>	<b>1.30</b>	<b>2.73</b>	<b>4.89</b>
<b>2.1- Capital Work in Progress</b>											
Capital WIP (Building)	0.01	3.08	-	3.09	-	-	-	-	-	3.09	0.01
Capital WIP (Machinery)	0.01	32.34	0.01	32.34	-	-	-	-	-	32.34	0.01
Capital WIP (Office Equipment)	-	0.09	0.04	0.05	-	-	-	-	-	0.05	-
Capital WIP (Electrical Equipment)	-	5.78	-	5.78	-	-	-	-	-	5.78	0.00
<b>Total - 2.1</b>	<b>0.02</b>	<b>42.09</b>	<b>0.85</b>	<b>41.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.26</b>	<b>0.02</b>
<b>2.2- Right to Use of Assets</b>											
RIGHT OF USE ASSETS	0.24	0.68	-	0.92	0.13	-	0.23	-	0.37	0.56	0.11
LAND - Lease hold	0.36	-	-	0.36	0.16	-	0.01	-	0.16	0.20	0.21
<b>Total - 2.2</b>	<b>0.60</b>	<b>0.68</b>	<b>-</b>	<b>1.29</b>	<b>0.29</b>	<b>-</b>	<b>0.24</b>	<b>-</b>	<b>0.53</b>	<b>0.76</b>	<b>0.31</b>
<b>3 - INTANGIBLE ASSETS</b>											
COMPUTER SOFTWARE	0.02	0.00	-	0.03	0.02	-	0.01	-	0.03	0.00	0.00
ERP SOFTWARE	0.01	-	-	0.01	0.00	-	0.00	-	0.01	0.00	0.00
<b>Total - 3</b>	<b>0.03</b>	<b>0.00</b>	<b>-</b>	<b>0.03</b>	<b>0.02</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>6.94</b>	<b>44.18</b>	<b>4.52</b>	<b>46.60</b>	<b>1.71</b>	<b>-</b>	<b>2.44</b>	<b>2.29</b>	<b>1.85</b>	<b>44.75</b>	<b>5.23</b>

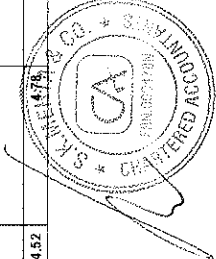


**ACRO PAINTS LIMITED**  
**PROPERTY PLANT AND EQUIPMENT FORMING PART OF BALANCE SHEET AS AT 31.03.2023**

( ₹ in Crore)

NOTE No.2 & 3

PARTICULARS	GROSS CARRYING VALUE			DEPRECIATION / AMORTISATION / IMPAIRMENT			NET CARRYING VALUE			
	AS ON 01.04.2022	ADDITIONS	SALE / ADJUSTMENTS	TOTAL	UPTO 31.03.2022	DEPRECIATION FOR THE YEAR	SALE / ADJUSTMENTS	TOTAL	WDV AS ON 31.03.2023	WDV AS ON 31.03.2022
<b>2- PROPERTY, PLANT &amp; EQUIPMENTS</b>										
BUILDING	3.85	1.84	2.42	3.27	0.37	0.29	0.12	0.54	2.73	3.47
MACHINERY	0.81	0.28	0.25	0.84	0.15	0.12	0.03	0.24	0.60	0.67
MACHINERY (NOT PUT TO USE)	0.09	-	0.02	0.07	-	-	-	0.07	0.07	0.09
LIFT	0.03	-	-	0.03	0.00	-	-	0.00	0.02	0.02
OFFICE EQUIPMENTS	0.07	0.01	0.04	0.04	0.02	0.01	0.01	0.02	0.02	0.05
FURNITURE & FIXTURES	0.17	0.00	0.06	0.11	0.03	0.02	0.01	0.04	0.07	0.14
ELECTRICAL EQUIPMENTS	0.03	0.01	0.00	0.04	0.01	0.01	0.00	0.02	0.03	0.03
LABORATORY EQUIPMENTS	0.05	0.20	-	0.25	0.01	0.01	-	0.02	0.22	0.04
COMPUTERS	0.08	0.02	0.02	0.08	0.04	0.02	0.01	0.05	0.03	0.04
AIR CONDITIONERS	0.01	-	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.01
REFRIGERATORS	0.00	-	0.00	0.00	0.00	-	0.00	0.00	-	0.00
CELLULAR PHONES	0.03	0.01	0.04	0.00	0.01	0.00	0.01	0.00	(0.00)	0.03
FAX MACHINE	0.00	-	0.00	0.00	-	-	-	-	-	0.00
WATER COOLERS	0.00	-	-	0.00	-	-	-	-	-	0.00
CARS	0.62	0.86	0.05	1.44	0.17	0.24	0.01	0.40	1.04	0.44
SCOOTERS	0.01	-	0.00	0.01	0.00	0.00	-	0.00	0.00	0.01
BIKE	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.00
GENERATORS	0.03	-	0.01	0.02	0.01	0.00	0.00	0.01	0.01	0.02
FANS	0.01	-	0.01	0.00	0.00	-	0.00	0.00	-	0.01
TRUCK LPT 1109	0.05	-	-	0.05	0.02	0.01	-	0.03	0.03	0.04
ECCO FLEX GREEN DL-1LPT-1109	0.01	-	-	0.01	0.00	0.00	-	0.01	0.01	0.01
EPABX	0.01	-	0.01	0.00	0.00	-	0.00	0.00	0.00	0.01
<b>Total - 2</b>	<b>5.96</b>	<b>3.25</b>	<b>2.93</b>	<b>6.28</b>	<b>0.85</b>	<b>0.75</b>	<b>0.20</b>	<b>1.40</b>	<b>4.89</b>	<b>5.11</b>
<b>2.1- Capital Work in Progress</b>										
Capital WIP (Building)	0.41	1.24	1.64	0.01	-	-	-	-	0.01	0.41
Capital WIP (Machinery)	0.20	0.01	0.20	0.01	-	-	-	-	0.01	0.20
<b>Total - 2.1</b>	<b>0.61</b>	<b>1.26</b>	<b>1.85</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>0.61</b>
<b>2.2- Right to Use of Assets</b>										
RIGHT OF USE ASSETS	0.24	-	-	0.24	0.05	0.08	-	0.13	0.11	0.19
LAND - Lease hold	0.35	0.01	-	0.36	-	0.16	-	0.16	0.21	0.35
<b>Total - 2.2</b>	<b>0.59</b>	<b>0.01</b>	<b>-</b>	<b>0.60</b>	<b>0.05</b>	<b>0.23</b>	<b>-</b>	<b>0.29</b>	<b>0.31</b>	<b>0.54</b>
<b>3 - INTANGIBLE ASSETS</b>										
COMPUTER SOFTWARE	0.02	-	-	0.02	0.01	0.00	-	0.02	0.00	0.01
ERP SOFTWARE	0.01	-	-	0.01	0.00	0.00	-	0.00	0.00	0.00
<b>Total - 3</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>0.02</b>	<b>0.01</b>	<b>-</b>	<b>0.02</b>	<b>0.00</b>	<b>0.01</b>
<b>GRAND TOTAL</b>	<b>7.19</b>	<b>4.52</b>	<b>4.82</b>	<b>6.94</b>	<b>0.92</b>	<b>0.99</b>	<b>0.20</b>	<b>1.71</b>	<b>5.23</b>	<b>6.27</b>



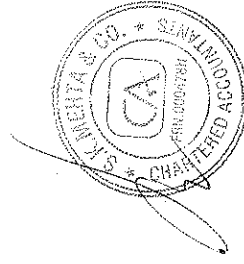
ACRO PAINTS LIMITED  
 NOTE - 4: OTHER FINANCIAL ASSETS  
 (Unsecured, Considered Good at amortised cost)

(₹ in Cr)

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Security Deposits/ Retention Money	0.21	0.09	-	-
Fixed Deposits with Banks (Maturity more than 12 Months)	2.32	3.61	-	-
Interest Accrued on Bank Deposits	-	-	1.00	0.48
<b>TOTAL</b>	<b>2.53</b>	<b>3.69</b>	<b>1.00</b>	<b>0.48</b>

NOTE - 5: INCOME TAX/CURRENT TAX ASSET/(LIABILITY) - NET

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Income Tax/Current Tax - Net	-	0.75	(0.20)	-
<b>TOTAL</b>	<b>-</b>	<b>0.75</b>	<b>(0.20)</b>	<b>-</b>





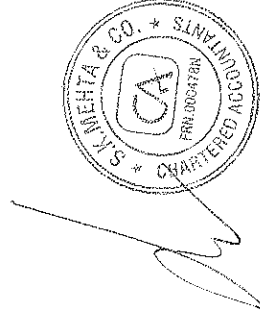
**Note No. 6 - DEFERRED TAX ASSETS (NET)**

( ₹ in Cr)

PARTICULARS	Aa At	
	31st March 2024	31st March 2023
<b>Deferred Tax Assets</b>		
Difference on account of depreciation on Property Plant and Equip. (a)	0.74	0.32
Expenditure disallowed under Income Tax Act, allowable on payment basis (b)	0.27	0.24
<b>TOTAL - Deferred Tax Assets (a+b)</b>	<b>1.01</b>	<b>0.56</b>

Reconciliation between the average effective tax rate and the applicable tax rate is as below :

	31st March 2024		31st March 2023	
	%		%	
<b>Applicable tax rate</b>	25.17		25.17	
Tax effect of income that are not taxable in determining taxable profit	0.71		21.77	
<b>Average Effective Tax Rate</b>	25.88		46.94	



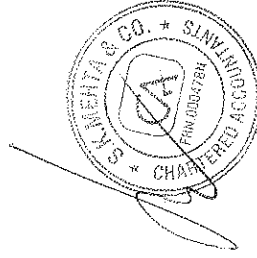
**NOTE - 7: OTHER ASSETS**  
(Unsecured, Considered Good)

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Advances Recoverable in cash or kind	-	-	2.10	0.50
<b>TOTAL</b>	-	-	<b>2.10</b>	<b>0.50</b>

**NOTE - 7A: Non Current Assets Classified as held for Sale**

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Non current assets held for sale *	-	-	0.42	-
(Building, Electrical Installation and Machinery)	-	-	-	-
<b>TOTAL</b>	-	-	<b>0.42</b>	-

\* Expected realisable value is more than the WDV and expected to be disposed off within next 12 months therefore considered at WDV and as current.



## ACRO PAINTS LIMITED

## NOTE - 8: INVENTORIES

Particulars	(₹ in Cr)	
	31-Mar-24	31-Mar-23
Raw Materials	6.87	6.79
Finished goods	7.39	7.54
<b>TOTAL</b>	<b>14.26</b>	<b>14.33</b>

## NOTE - 9: TRADE RECEIVABLES

(Unsecured Considered Good - At amortised cost)

Particulars	(₹ in Cr)	
	31-Mar-24	31-Mar-23
Trade Receivables		
- Considered Goods - Unsecured	13.33	12.42
- Credit Impaired	0.17	-
	<b>13.50</b>	<b>12.42</b>
Less : Allowance for Credit impaired trade receivables	0.17	-
<b>TOTAL</b>	<b>13.33</b>	<b>12.42</b>

## NOTE - 10: CASH AND CASH EQUIVALENTS

Particulars	(₹ in Cr)	
	31-Mar-24	31-Mar-23
<b>Cash and Cash Equivalents</b>		
<b>Bank Balances with Scheduled Banks :</b>		
Current Account	2.51	2.65
Fixed Deposit (Maturity within 3 Months)	5.32	9.16
Cash Balances	0.01	0.01
<b>TOTAL</b>	<b>7.94</b>	<b>11.82</b>

## NOTE - 11: BANK BALANCES OTHER THAN ABOVE

Particulars	(₹ in Cr)	
	31-Mar-24	31-Mar-23
Fixed Deposits (Maturity more than 3 Months but less than 12 Months) A	10.18	1.98
<b>TOTAL</b>	<b>10.18</b>	<b>1.98</b>

A- Fixed Deposit of Rs 6.57 Crore (previous year 3.07 Crore) is pledged with the Bank against funded and Non-funded borrowings



ACRO PAINTS LIMITED  
NOTES FORMING PART OF THE ACCOUNTS  
NOTE "12" - SHARE CAPITAL

(₹ in Cr)

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
Equity Shares of ₹ 100/- each.	1,00,000	1.00	1,00,000	1.00
<b>TOTAL</b>	<b>1,00,000</b>	<b>1.00</b>	<b>1,00,000</b>	<b>1.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>				
Equity Shares of ₹ 100/- each fully paid up	93,696	0.94	93,696	0.94
<b>TOTAL</b>	<b>93,696</b>	<b>0.94</b>	<b>93,696</b>	<b>0.94</b>

**Further Notes:**

(a) Reconciliation of number of shares outstanding and amount of share capital is set out as follows:

Particulars	As at 31 March, 2024		As at 31 March, 2023	
	Number of Equity shares	Amount	Number of Equity shares	Amount
Opening Balance	93,696	0.94	93,696	0.94
Add: Addition During the year	-	-	-	-
<b>Closing Balance</b>	<b>93,696</b>	<b>0.94</b>	<b>93,696</b>	<b>0.94</b>

(b) Details of Shareholders who are holding more than 5% of Share Capital :

(i) (a) Equity Shares

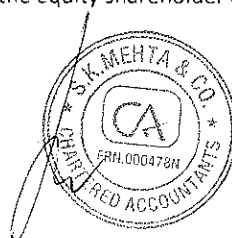
Name of Shareholders	As at 31 March, 2024		As at 31 March, 2023	
	Number of Equity shares	% Holding	Number of Equity shares	% Holding
Charanjeet Kumar	-	-	6,802	7.26
Ashok Kumar Gaiind	-	-	12,448	13.29
Vijay Gaiind	-	-	8,954	9.56
Aneesha Gaiind	-	-	6,291	6.71
J K Paint and Coating Ltd	93,690	99.99	56,218	60.00
<b>Total</b>	<b>93,690</b>	<b>99.99</b>	<b>90,713</b>	<b>96.82</b>

(i) (b) Details of % change in equity shareholding of promoters:

Name of Shareholders	As at 31 March, 2024		As at 31 March, 2023		% of Change during the period
	Number of Equity shares	% Holding	Number of Equity shares	% Holding	
Charanjeet Kumar	-	-	6,802	7.26	-7.26
Ashok Kumar Gaiind	-	-	12,448	13.29	-13.29
J K Paint and Coating Ltd	93,690	99.99	-	-	99.99
<b>Total</b>	<b>93,690</b>	<b>99.99</b>	<b>19,250</b>	<b>20.55</b>	<b>79.44</b>

**Terms/rights attached to Equity Shares**

The Company has only one class of equity shares, having a par value of Rs. 100 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each shareholder is eligible to one vote per share held. The equity shares are entitled to receive dividend as declared from time to time. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company.



**ACRO PAINTS LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024****a. Share Capital****i. Equity share capital****(₹ in Cr)**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting period	0.94	0.94
Changes in capital during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>0.94</b>	<b>0.94</b>

**b. Other equity****(₹ in Cr)**

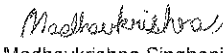
Particulars	Reserves & Surplus		Total
	Retained earnings	Security Premium	
<b>Balance as at March 31, 2022</b>	<b>30.74</b>	<b>-</b>	<b>30.74</b>
Profit for the year	0.29	-	0.29
Other comprehensive income for the year	-	-	-
Less: Dividend Paid	-	-	-
<b>Balance as at March 31, 2023</b>	<b>31.03</b>	<b>-</b>	<b>31.03</b>
Addition during the year	-	-	-
Profit for the year	2.13	-	2.13
Other comprehensive income for the year	(0.46)	-	(0.46)
<b>Balance as at March 31, 2024</b>	<b>32.69</b>	<b>-</b>	<b>32.69</b>


As per Audit report of even date

**For S.K.Mehta & Co.**  
Chartered Accountants  
(FRN No. 000478N)

For and on behalf of Board of Directors

  
Dr. Raghavpat Singhania  
Director  
DIN : 02426556

  
Madhavkrishna Singhania  
Director  
DIN : 07022433

  
Jyoti Bagga  
Partner  
M No. 087002



Place of Signature : New Delhi

Date : 30/04/2024

## NOTE - 13: OTHER EQUITY

Particulars	( ₹ in Cr)	
	31-Mar-24	31-Mar-23
<b>1 General Reserve:</b>		
Opening Balance as per last accounts	1.94	1.92
Add: Appropriation from Surplus	-	0.02
	1.94	1.94
<b>2 Surplus (Balance in Statement of Profit and Loss):</b>		
Opening Balance as per last Account	29.10	28.83
Profit for the Year	2.13	0.29
Add: Other Comprehensive Income (Remeasurement of Defined Benefit Plans)	(0.46)	-
Less: Dividend paid during the year	-	-
Less: Transfer to General Reserve	-	0.02
Balance carried forward to next year	30.76	29.10
<b>TOTAL</b>	<b>32.70</b>	<b>31.04</b>



ACRO PAINTS LIMITED

NOTE - 14: BORROWINGS  
(At Amortised Cost)

Particulars	Non Current		Current Maturities*	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>SECURED LOANS</b>				
Vehicle Loans:				
i) From Banks	-	0.26	0.02	0.18
ii) From Others	-	-	-	-
<b>Total Secured Loans</b>	-	<b>0.26</b>	<b>0.02</b>	<b>0.18</b>
<b>UNSECURED LOANS</b>				
<b>Total Unsecured Loans</b>	-	-	-	-
<b>TOTAL BORROWINGS</b>	-	<b>0.26</b>	<b>0.02</b>	<b>0.18</b>

\* Current maturities of Long Term Borrowings are carried to Note - 18: BORROWINGS - CURRENT

A) Secured by hypothecation of vehicle and personal guarantee of Directors of the Company

B) Term Loan repayable in 3 years in monthly EMI & Interest @ rate of 8-10% p.a.

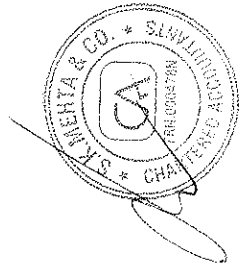
NOTE - 14(A): Lease liabilities

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Lease obligations	0.34	0.03	0.24	0.09
<b>TOTAL</b>	<b>0.34</b>	<b>0.03</b>	<b>0.24</b>	<b>0.09</b>

NOTE - 15: OTHER FINANCIAL LIABILITIES

(At Amortised Cost)

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Security Deposit	-	-	0.59	0.59
Expenses Payable	-	-	0.27	0.23
Employee Liabilities	-	-	0.42	1.13
<b>TOTAL</b>	-	-	<b>1.28</b>	<b>1.94</b>



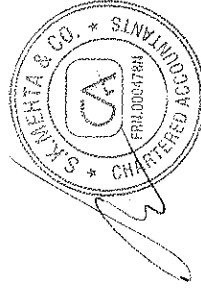
ACRO PAINTS LIMITED

NOTE - 16: PROVISIONS

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>For Employees Benefits</b>				
Provision for Gratuity	0.94	0.23	-	-
Provision for Leave Encashment	0.56	0.61	0.05	-
<b>TOTAL</b>	<b>1.50</b>	<b>0.74</b>	<b>0.05</b>	<b>-</b>

NOTE - 17: OTHER LIABILITIES

Particulars	Non Current		Current	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Statutory Liabilities	-	-	0.65	0.80
Advance received from Customers	-	-	38.12	0.31
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>38.77</b>	<b>1.12</b>





## ACRO PAINTS LIMITED

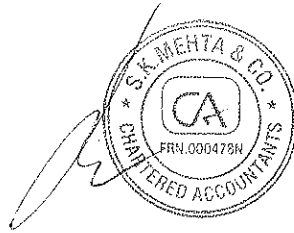
## NOTE - 18: BORROWINGS - CURRENT

Particulars	Note No.	₹ in Cr)	
		31-Mar-24	31-Mar-23
<b>I. SECURED LOANS</b>			
Current maturities of long-term debts (Refer Note - 14)		0.02	0.18
<b>Total Secured Loans</b>		<b>0.02</b>	<b>0.18</b>

## NOTE - 19: TRADE PAYABLES

Particulars	₹ in Cr)	
	31-Mar-24	31-Mar-23
Dues to Micro and Small Enterprises	1.78	-
Dues to others	19.70	15.45
<b>TOTAL</b>	<b>21.48</b>	<b>15.45</b>

\* As per the information available with the company, amount due to Micro and Small Enterprises is Rs. 1.78 Crore (Previous Year NIL) and no interest has been paid/payable by the Company to the suppliers under the Micro, Small and Medium Enterprises Development Act 2006. The said information is based on the records maintained by the Company of its suppliers.



## ACRO PAINTS LIMITED

## NOTE - 20: REVENUE FROM OPERATIONS

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue</b>		
Sale of Products (Net)	136.69	79.56
<b>TOTAL</b>	<b>136.69</b>	<b>79.56</b>

## NOTE - 21: OTHER INCOME

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Interest on:</b>		
Financial items:		
Fixed Deposits with Banks	1.23	0.66
Profit on sale and disposal of Property, Plant & Equipment	0.01	0.13
Other Non Operating Income	0.25	0.01
<b>TOTAL</b>	<b>1.50</b>	<b>0.80</b>

## NOTE - 22: COST OF MATERIALS CONSUMED

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
Raw Material & Packing: Opening Stock	6.79	5.41
Add: Purchases	84.16	49.16
Less: Closing Stock	6.87	6.79
Freight & Cartage Inward	1.95	1.60
<b>TOTAL</b>	<b>86.03</b>	<b>49.39</b>

## NOTE - 23: Changes in inventories of finished goods

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Finished Stock</b>		
Opening Stock at the Beginning of the Year	7.54	7.92
Closing Stock at the End of the Year	7.39	7.54
<b>TOTAL</b>	<b>0.15</b>	<b>0.38</b>

## NOTE - 24: EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, Wages, Bonus etc	13.66	13.46
Contribution to Provident & Other Funds	0.38	0.33
Staff Welfare Expenses	0.32	0.36
<b>TOTAL</b>	<b>14.35</b>	<b>14.15</b>

## NOTE - 25: FINANCE COSTS

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Interest Payments on Financial items:</b>		
<b>Working Capital Loans:</b>		
Banks	0.07	0.04
<b>Other Loans:</b>		
Banks	-	-
Others (Interest on Lease Liability)	0.04	0.01
	0.04	0.01
	0.11	0.05
<b>TOTAL</b>	<b>0.11</b>	<b>0.05</b>



ACRO PAINTS LIMITED  
NOTE - 26: OTHER EXPENSES

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
Power & Fuel Exps.	0.79	0.74
Insurance	0.10	0.10
Freight & Cartage Outward	6.48	6.25
Payment to auditors	0.05	0.03
Travelling & Conveyance	1.32	1.14
Postage, Telegram & Telephone	0.07	0.13
Printing & Stationery	0.05	0.08
Festival Exps.	0.08	0.09
Legal & Professional Charges	0.45	0.33
Charity & Donation	-	0.00
Advertisement and Publicity	0.38	1.85
Selling Support Services and Incentives	19.63	
Rent, Rate & Taxes	0.26	0.90
Repairs and Maintenance	0.59	1.21
Watch & Ward Exps.	0.64	0.34
Laboratory Expenses	0.07	0.04
Subscription & Fees	0.00	0.01
Bad Debts / Advances - Writtenoff / Provision	0.17	1.21
Impairment Loss / Loss on Sale of Fixed Assets	0.53	0.36
Miscellaneous Expenses	0.04	0.01
<b>TOTAL</b>	<b>31.70</b>	<b>14.84</b>

NOTE - 27: OTHER COMPREHENSIVE INCOME

Particulars	(₹ in Cr)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of Defined Benefit Plans	(0.61)	-
<b>Income Tax relating to items that will not be reclassified to profit or loss:</b>		
Remeasurement of Defined Benefit Plans	0.15	-
<b>TOTAL</b>	<b>(0.46)</b>	<b>-</b>

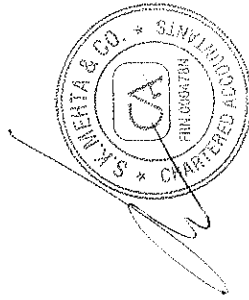


**ACRO PAINTS LIMITED**  
Notes forming part of the Financial Statements

**Note 28 Disclosures of EPS under Indian Accounting Standards -33**

The elements considered for calculation of Earnings Per Share (Basic & Diluted) are as under:-

	<u>Current Year</u>	<u>Previous Year</u>
	<b>Basic &amp; Diluted</b>	<b>Basic &amp; Diluted</b>
Net Profit after tax used as numerator (₹ in Crore)	2.13	0.29
Weighted average number of equity share used as denominator	93,696	93,696
Earning Per Share (Basic & Diluted) (In Rupees)	226.84	31.45
Face Value per Share (In Rupees)	100	100
Earning per share ( Annualized )	226.84	31.45



**Note No. 29 FINANCIAL INSTRUMENTS**

**Financial instruments by category**

- 1) The management assessed that Fair Value of Cash & Cash Equivalents, Other Bank Balances, Trade Receivables, Other Current Financial Assets, Trade Payables, Short Term Borrowings, Long Term Floating Rate Loans and Other Current Financial Liabilities approximate their carrying amounts.
- 2) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- 3) Considering above disclosure with regard to the Fair Value Hierarchy is not applicable.

**Note No. 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is Interest Rate risk.

The Company's principal financial liabilities comprise trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, Other Financial Assets and cash / cash equivalents that derive directly from its operations.

Company is exposed to a number of any financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, foreign currency exchange rates. Senior management oversees the management of these risks with appropriate financial risk governance framework for the Company.

**A Market risk**

Market risk is the risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**1 Interest rate risk**

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings		Increase /Decrease in basis points	Effect on profit before tax (Rs in Lac)	Increase /Decrease in basis points	Effect on profit before tax (Rs in Lac)
		As at 31st March 2024		As at 31st March 2023	
INR		+50	-	+50	-
INR		-50	-	-50	-

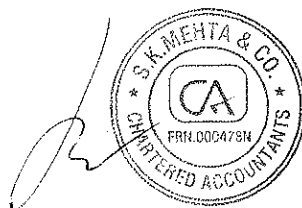
**2 Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurrence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

There are no outstanding Foreign Currency Exposure at the year end, hence Sensitivity Analysis is not provided.



**B Credit risk**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive analysis and outstanding customer receivables are regularly monitored.

**Ageing Analysis of Trade Receivables**

Particulars	( ₹ in Cr)			
	As at 31st March, 2024		As at 31st March, 2023	
	Upto Six Months	More than Six Months	Upto Six Months	More than Six Months
Secured	-	-	-	-
Unsecured	12.62	0.71	12.38	0.04
<b>Total</b>	<b>12.62</b>	<b>0.71</b>	<b>12.38</b>	<b>0.04</b>

**C Liquidity risk**

Company monitors its risk of a shortage of funds diligently. The Company seeks to manage its liquidity requirement by maintaining access to short term borrowings against FDRs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024:

Particulars	( ₹ in Cr)				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Borrowings & Lease Liabilities	0.26	0.34	-	-	0.60
Trade payables	19.70	-	-	-	19.70
Other financial liabilities	1.28	-	-	-	1.28
<b>Total</b>	<b>21.24</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>21.58</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023:

Particulars	( ₹ in Cr)				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Borrowings & Lease Liabilities	0.26	0.16	0.13	-	0.55
Trade payables	15.45	-	-	-	15.45
Other financial liabilities	1.94	-	-	-	1.94
<b>Total</b>	<b>17.65</b>	<b>0.16</b>	<b>0.13</b>	<b>-</b>	<b>17.94</b>

**Note No. 31 CAPITAL MANAGEMENT**

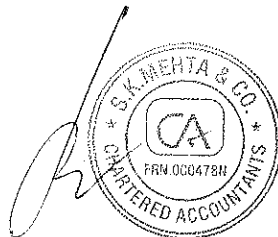
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's endeavour is to keep the debt equity ratio around 1:1

	( ₹ in Cr)	
	31-Mar-24	31-Mar-23
Borrowings	0.02	0.43
Share Capital	0.94	0.94
Reserves and Surplus	32.70	31.04
<b>Equity</b>	<b>33.64</b>	<b>31.97</b>
<b>Debt Equity Ratio</b>	<b>0.001 : 1</b>	<b>0.014 : 1</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.



ACRO PAINTS LIMITED

32. Disclosure as per Ind AS 116 'Leases'

Company as Lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

Immovable Property in Faridbad Haryana and Bhiwadi (Rajasthan)

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the period: (₹ in Cr)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening Balance	0.12	0.19
- Additions in lease liabilities	0.67	-
- Interest cost during the year	0.04	0.01
- Payment of lease liabilities	(0.25)	(0.09)
Closing Balance	0.58	0.12
Current	0.24	0.09
Non Current	0.34	0.03

(iii) Maturity Analysis of the lease liabilities: (₹ in Cr)

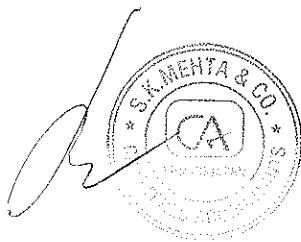
Contractual undiscounted cash flows	For the Year ended 31 March 2024	For the Year ended 31 March 2023
3 months or less	0.07	0.02
3-12 Months	0.17	0.07
1-2 Years	0.25	0.03
2-5 Years	0.09	-
More than 5 Years	-	-
Lease liabilities	0.58	0.12

(iv) The following are the amounts recognised in profit or loss: (₹ in Cr)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Depreciation expense for right-of-use assets	0.23	0.08
Interest expense on lease liabilities	0.04	0.01
Expense relating to short-term leases	0.26	0.90

(v) The following are the amounts disclosed in the statement of cash flows : (₹ in Cr)

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Cash Outflow from leases	0.25	0.09



**Note No.33**

**NOTES TO ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS**

1 Contingent Liabilities: Common effluent treatment plant (CETP) demand of CETP and O&M charges Rs.0.24 Crore (Previous Year Rs. 0.24 Crore).

2 Unexpired Capital Commitments: Estimated Amount of contracts remaining to be executed on capital account net of capital advances and not provided for is Rs.21.09 Crore (Previous Year Rs. 0.12 Crore).

3 Sales are net of Rebate & Discount, sales promotion schemes and commission to the marketing agents.

4 There are no present obligations requiring provision in accordance with the guiding principles as enunciated in IND AS -37, as it is not probable that an outflow of resources embodying economic benefits will be required.

5 In the opinion of the Management, the value of any of the assets other than fixed assets on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess/ short of the amount considered reasonable & necessary. None of the transactions of the Company represented merely by book entries are prejudicial to the interest of the Company and no personal expenses have been charged in the accounts of the Company.

6 Expenditure in foreign currency - NIL (Previous year NIL)

Earning in foreign currency - NIL (Previous year NIL)

Foreign Exchange Variation:

7 (i) Foreign exchange loss capitalized during the year is NIL (Previous year NIL)

(ii) Foreign Exchange (Gain) /Loss recognized in Statement of Profit & loss is NIL (Previous year Nil)

Employee Benefits :

8 The summarized position of Post-employment benefits and other long term employee benefits recognized in the Statement of Profit & Loss and the Balance Sheet as required in accordance with Indian Accounting Standard (IndAS-19) are as under:

Gratuity and Leave Encashment is provided on the basis of actuarial valuation through life insurance corporation at the year end being contributed in the gratuity fund maintained by the life insurance corporation of India as per Note - 33(8)

9 Information on 'Related Party Disclosures' as per Indian Accounting Standard (Ind AS-24): Note 33 (9)

Segment Information

10 The Company's only business segment being manufacturing of Paint, there is no geographical segment to be reported as required under Indian Accounting Standard (IndAS-108).

Impairment of Assets

11 As required by Ind-AS 36, assessment of impairment of assets was carried out and based on such assessment, impairment loss of Rs.NIL (Previous Year Rs.0.36 Cr) is provided in the books of account.

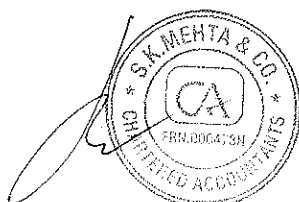
12 Company has changed his registered office from Delhi to Uttar Pradesh state after getting approval from MCA on 08-12-2023

13 Company has transferred it's shares to become 100 % subsidiary of JK Maxx Paints Ltd on 06.01.2024 according to SLA dated 22.12.2022.

Events Occurring after the Balance Sheet Date

14 No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

15 During the year, the company has made provision of bad debts and advances of Rs.0.17 Cr. (Previous Year Writeoff of Rs.1.21 Cr.) which could not be recovered by the company despite efforts made. The year end receivables do not include any amounts with such parties.





16 Additional Disclosures as required Schedule III of the Companies Act:

CWIP aging schedule as on 31st March, 2024

i. Detail of the Company's Capital-work-in progress is as under: (Amount Rs. in Crore)

CWIP	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Capital WIP (Building)	3.09	-	-	-	3.09
Capital WIP (Machinery)	32.34	-	-	-	32.34
Capital WIP (Office Equipment)	0.05				0.05
Capital WIP (Electrical Equipment)	5.78	-	-	-	5.78

Capital Work in Progress expected to be completed within next one year.

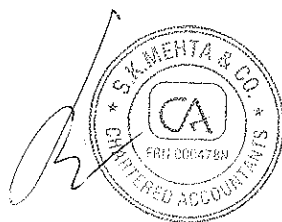
CWIP aging schedule as on 31<sup>st</sup> March, 2023

(Amount Rs. in Crore)

CWIP	Amount in CWIP for a period				
	Less than 1 year	1-2 years	2-3 years	More than 3	Total
Capital WIP (Building)	0.01	-	-	-	0.01
Capital WIP (Machinery)	0.01	-	-	-	0.01

Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan NIL (Previous Year NIL)

- ii. Company is not having any investment properties in current year and in the previous year.
- iii. The Company has not revalued any of its Property, Plant & Equipment and including Right of use assets in the current year & previous year.
- iv. The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
- v. No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988.
- vi. Company is not having any transaction with the Companies struck off under the Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956
- vii. There are no charges or satisfaction which are to be registered with ROC beyond statutory period.
- viii. The company has not been declared as a willful defaulter by any bank or financial institution or any other lender.
- ix. Since the company does not have any working capital borrowings, the requirement to submit quarterly returns to banks / financial institutions is not applicable to the company.
- x. The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.
- xi. The Company has not advanced or loaned or invested funds to any other person(s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:-
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xii. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- xiii. The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- xiv. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- xv. There was no scheme of Arrangements approved by the competent authority during the year in terms of section 230 to 237 of the Company's Act, 2013, however, Company has filed an application to National Company Law Tribunal on 06-02-2024, for amalgamation with the present holding company JK Maxx Paints Ltd. and same is pending for approval.

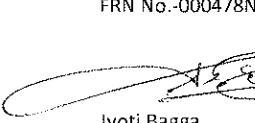


- 17 Disclosure of Analytical Ratio as per Schedule III of Companies Act - As per Note No. 33 (15) enclosed.
- 18 Financial Statement rupee figures have been rounded off in to Rupees Crore.
- 19 Previous year's figures have been regrouped, re-casted, re-arranged and reclassified wherever considered necessary.

As per our report of even date

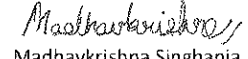
**For S.K. Mehta & Co.**  
Chartered Accountants  
FRN No.-000478N

For and on behalf of the Board of Directors

  
Jyoti Bagga  
Partner  
M. No. 087002



  
Dr. Raghavpat Singhania  
Director  
DIN : 02426556

  
Madhavkrishna Singhania  
Director  
DIN : 07022433

Place: New Delhi

Date of Signature: 30/04/2024

Note - 33 (8)

Notes forming part of financial statements

Gratuity, Leave Encashment and other post employment benefit plans

The Company operates post employment and other long term employee benefits defined plans as follows:

I. Defined Contribution Plan

₹ in crore

Description	As at	
	March 31, 2024	March 31, 2023
Employer's Contribution to Provident Fund	0.76	0.59

II. Unfunded

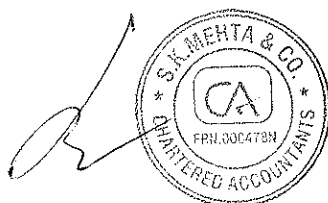
- i. Gratuity
- ii. Leave encashment benefit

III. Defined Benefit Plan

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

₹ in crore

Description	Gratuity		Leave encashment	
	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>1. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
a. Obligation as at the beginning of the year	0.12	-	0.60	-
b. Current Service Cost	0.10	-	0.11	-
c. Past Service cost	-	-	-	-
d. Interest Cost	0.02	-	0.02	-
e. Actuarial (Gain)/Loss	0.59	-	0.23	-
f. Benefits Paid	-	-	-	-
g. Obligation as at the end of the year	-	-	-	-
<b>2. Reconciliation of fair value of assets and obligation</b>				
a. Fair Value of Plan Assets as at the end of the year	0.27	-	-	-
b. Present Value of Obligation as at the end of the year	0.12	-	-	-
c. Amount recognised in the Balance Sheet	0.15	-	-	-
<b>3. Expense recognised during the year in Statement of Profit &amp; Loss</b>				
a. Current Service Cost	0.10	-	0.11	-
b. Actuarial (gain)/loss	0.59	-	0.23	-
c. Interest Cost	0.02	-	0.02	-
d. Expense recognised during the year	0.71	-	0.36	-
<b>4. Expense recognised during the year in OCI</b>				
a. Actuarial (Gain)/Loss	0.59	-	0.23	-



<b>5. Actuarial Assumptions</b>				
a. Discount Rate (per annum)	7.00%	7.00%	7.00%	7.00%
b. Salary escalation	10.00%	6.00%	10.00%	0.00%
c. Mortality Rate Indian Assured Lives Mortality (Mortality 2012-14 (Urban)) – Previous Year (Mortality 2006-2008 (Urban))	Urban	Urban	Urban	Urban

**6. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Description	Gratuity		Leave encashment	
	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Increased</b>				
Discount rate (1% movement)	-0.10	-	-0.05	-
Salary growth rate (1% movement)	0.11	-	0.05	-
<b>Decreased</b>				
Discount rate (1% movement)	0.12	-	0.05	-
Salary growth rate (1% movement)	-0.10	-	-0.05	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

That significant actuarial assumptions for the determination of the Defined Benefit Plans are discount rate, expected salary increase and mortality.

Discount rate is based on the prevailing market yields of Government of India securities as at Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors such as supply and demand in the employment market.



**Note - 33 (9)**

Disclosure as required under Ind AS 24 - Related Party are provided as under :

**a. Subsidiary Company :**

As on March 31, 2024, and as on 31.03.2023 the company has no subsidiary company.

**b. Key Management Personnel (KMP):**

Mr. Raghavapat Singhania	Director	W.e.f. 06.01.2023
Mr. Madhavkrishna Singhania	Director	W.e.f. 06.01.2023
Mr. Ajay Kumar Saraogi	Director	W.e.f. 06.01.2023
Mr. Anil Kumar Agarwal	Director	W.e.f. 06.07.2023
Mr. Charanjeet Kumar (Last Year Managing Director upto 05.01.2023)	Independent Director	Ceased w.e.f. 06.01.2024
Mr. Ashok Kumar Gaiind (Last Year Whole Time Director upto 05.01.2023)	Independent Director	Ceased w.e.f. 06.07.2023
Mr. Aditya Gaiind	Director	Ceased w.e.f. 06.01.2023
Mr. Arjun Gaiind	Director	Ceased w.e.f. 06.01.2023

**c. Enterprises over which Key Managerial Personnel are able to exercise significant influence w.e.f. 06.01.2023.**

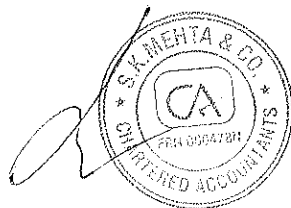
JK Maxx Paints Ltd	(Holding Company)	W.e.f. 06.01.2023
JK Cement Ltd	(Ultimate Holding Company of JK Maxx Paints Ltd.)	W.e.f. 06.01.2023
Acro Building and Technologies Pvt. Ltd.		Ceased w.e.f. 06.01.2024
Acro Construction Aids Pvt. Ltd.		Ceased w.e.f. 06.01.2024

**d. Relative of Key Managerial Personnel (KMP) :**

Mrs. Vijay Gaiind	Relative of KMP	Ceased w.e.f. 06.01.2024
Mrs. Aneesha Gaiind	Relative of KMP	Ceased w.e.f. 06.01.2024
Mr. Aditya Gaiind	Relative of KMP	Ceased w.e.f. 06.01.2024
Mr. Arjun Gaiind	Relative of KMP	Ceased w.e.f. 06.01.2024

**e. The following transactions were carried out with the related parties referred in above in the ordinary course of business :**

Particulars	₹ in crore	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Payment to Directors</b>		
<b>- Remuneration</b>		
Mr. Charanjeet Kumar	0.20	0.55
Mr. Ashok Kumar Gaiind	0.20	0.55
Mr. Aditya Gaiind	-	0.28
Mr. Arjun Gaiind	-	0.28
<b>- Rent</b>		
Mr. Charanjeet Kumar	0.09	0.10
Mr. Ashok Kumar Gaiind	0.09	0.10
<b>- Interest</b>		
Mr. Charanjeet Kumar	-	0.00
Mr. Ashok Kumar Gaiind	-	0.00
<b>Sale of Vehicle</b>		
Mr. Charanjeet Kumar	0.20	-

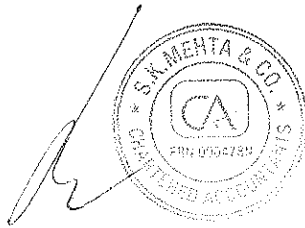


<b>Payment to Relative of Key Managerial Personnel</b>		
<b>- Rent</b>		
Mrs. Vijay Gaiind	-	0.31
Mrs. Aneesha Gaiind	-	0.31
<b>Sale of Vehicle</b>		
Mr. Arjun Kumar Gaiind	0.20	-
<b>Gratuity</b>		
Mr. Aditya Gaiind	0.20	
Mr. Arjun Gaiind	0.20	
<b>Transactions with Related Parties</b>		
<b>Sale of Goods</b>		
JK Maxx Paints Ltd	78.38	-
JK Cement Ltd	5.16	0.01
<b>Purchase of Goods</b>		
JK Cement Ltd	1.05	1.01
<b>Receiving of Services</b>		
JK Maxx Paints Ltd	19.63	-
<b>Advance Received</b>		
JK Maxx Paints Ltd	37.90	-
<b>Total</b>	<b>143.50</b>	<b>3.50</b>

a) Transactions with related parties disclosed are exclusive of applicable taxes

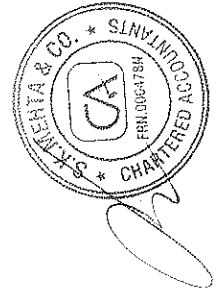
b) Transactions related to sales and purchases with related parties are made on terms equivalent to those that prevail in arm's length transactions

c) Zero rupee figures are less than Rs.1 Lacs.



Note No-33 (15) Disclosure of Ratios

Ratio	Numerator	Denominator	FY 2023-24	FY 2022-23	% Variance	Explanation for variation where variation is above 25%
Current ratio	Current Assets	Current Liabilities	0.79	2.21	-64.45%	Due to increase in capital expenditure
Debt-equity ratio	Paid-up debt capital (Long term borrowings)+ Short term borrowings)	Shareholder's Equity (Total Equity)	0.00	0.01	100%	Decrease in Debts
Debt service coverage ratio	Profit after Tax+Finance costs+ Depreciation and amortisation expenses+ Exceptional items	Finance Costs + Lease payments+ Scheduled principal repayments of long term borrowings	5.99	3.77	58.98%	Due to a increase in profit for the year and decrease in borrowings
Return on equity ratio	Profit for the year	Average Shareholder's Equity	6.48%	0.93%	599.64%	Due to increase in profit for the year
Inventory turnover ratio	Cost of Goods Sold	Average Inventory	6.02	3.57	68.58%	Due to increase in production
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	10.62	6.35	67.21%	Due to increase in Turnover
Trade payables turnover ratio	Total Purchases (Material Consumed + Other Expenses (excluding Non cash item)+Closing Inventory-Opening Inventory)	Closing Trade Payables	6.26	4.65	34.54%	Due to increase in purchases
Net capital turnover ratio	Revenue from operations	Working Capital (current maturities of long term borrowings)	(10.35)	3.47	-398.40%	Due to increase in capital expenditure
Net profit ratio	Profit for the year	Revenue from operations	1.55%	0.37%	319.73%	Due to a increase in profit for the year
Return on capital employed	Earning before interest and taxes	Capital Employed	10.43%	1.88%	455.98%	Due to a increase in profit for the year
Return on Investment	Investment income	Average Investment	NA	NA	-	



ACRO PAINTS LIMITED  
CIN: U24119DL1989PLC036308  
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

( ₹ in Cr)

Sr. No.	Particulars	Year Ending 31 March 2024	Year Ending 31 March 2023
(A)	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Taxation	3.40	0.56
	Adjustments for :-		
	Depreciation	2.44	0.99
	Fixed Assets Impairment Loss		0.36
	Finance Cost	0.11	0.05
	Other Non Operating Income	(0.87)	(0.01)
	Gain/Loss on sale of Fixed Assets	0.52	(0.13)
	Interest Income	(1.23)	(0.66)
	<b>Operating Profit Before Working Capital Changes</b>	<b>4.37</b>	<b>1.16</b>
	Adjustments for :-		
	(Increase)/ Decrease in Trade Receivables	(0.91)	0.22
	(Increase)/ Decrease in Inventories	0.07	(1.00)
	(Increase)/ Decrease in Bank Balance	(8.20)	(0.02)
	(Increase)/ Decrease in Other Financial Assets & Other Assets	(0.85)	(2.79)
	Increase/(Decrease) in Liabilities & Provisions	43.84	3.07
	<b>Net Increase/(Decrease) in Working Capital</b>	<b>33.95</b>	<b>(0.52)</b>
	<b>Cash Generated from Operations</b>	<b>38.33</b>	<b>0.64</b>
	Direct Taxes Paid (Net of Refunds )	(0.63)	(0.97)
	<b>Total Cash Flow from Operation (A)</b>	<b>37.70</b>	<b>(0.33)</b>
(B)	<b>CASH FLOW FROM INVESTING ACTIVITIES (Cr.)</b>		
	Purchase of Fixed Assets/CWIP	(43.34)	(2.68)
	Disposal of Fixed Assets	0.86	2.50
	Interest Received	0.71	0.58
	Other Non-operating Income	0.25	0.01
	<b>Net Cash Used in Investing Activities (B)</b>	<b>(41.52)</b>	<b>0.42</b>
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES (Cr.)</b>		
	Proceeds/(Repayment) from Borrowings:		
	Non-Current Borrowings	0.05	(0.05)
	Current Borrowings	(0.00)	0.13
	Interest Paid	(0.11)	(0.05)
	Interim dividend paid	-	-
	<b>Net Cash From Financing Activities (C)</b>	<b>(0.07)</b>	<b>0.03</b>
(D)	<b>Net Increase/ Decrease in Cash &amp; Cash Equivalents (A-B+C)</b>	<b>(3.89)</b>	<b>0.12</b>
	<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>11.82</b>	<b>11.70</b>
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>7.94</b>	<b>11.82</b>

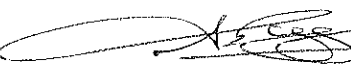
As per Audit report of even date

For and on behalf of the Board of Directors

For S.K.Mehta & Co.  
Chartered Accountants  
(FRN No. 000478N)

  
Dr. Raghavpat Singhania  
Director  
DIN : 02426556

  
Madhavkrishna Singhania  
Director  
DIN : 07022433

  
Jyoti Bagga  
Partner  
M No. 087002



Place of Signature : New Delhi

Date : 30/04/2024



**ACRO PAINTS LIMITED**  
**Company Information and Material Accounting Policies forming parts of**  
**Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2024**

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**1.A. CORPORATE INFORMATION**

ACRO PAINTS LIMITED (the Company) is a company limited by shares with domicile in India having CIN No. U24119UP1989PLC195992 and is incorporated under the provisions of the Companies Act, 2013. The company was set up in the year 1989.

The registered office of the company is located at Kamla Tower, Kanpur, Uttar Pradesh - 208001

The company is engaged in the manufacturing of paints and having factories at Bhiwadi, Rajasthan.

**1.B. MATERIAL ACCOUNTING POLICIES**

**A. Basis of preparation:**

**Statement of Compliance**

The financial statements have been prepared on going concern basis, in accordance with Indian Accounting Standards [Ind AS] notified under the Companies [Indian Accounting Standards] Rules, 2015, as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The Financial Statements were approved & adopted by the Board of Directors of the Company in their meeting held on 30-04-2024.

**Functional & presentational currency**

The functional and presentation currency of the Company is Indian Rupee (INR) which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded off to the nearest of the lakhs (up to two decimals) unless otherwise stated.

**Basis of measurement**

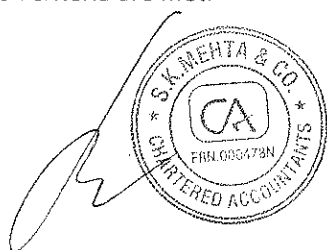
The financial statements have been prepared on the historical cost convention and on an accrual basis of accounting, except for the following:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation.

The method used to measure fair value are discussed in notes to the financial statements.

**B. Property, plant and equipment (PPE)**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price, including import duties and non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use but after deducting trade discounts and rebates. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.



Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

#### **C. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### **D. Depreciation/amortization**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation is provided on the written down value method as per the rates derived from the balance useful lives of relevant classes of assets prescribed in Schedule II of Companies Act, 2013. Depreciation has been provided on pro-rata basis from the date the assets are put to use during the financial year. In respect of asset sold or disposed off during the year, depreciation is provided till the date of sale/disposal/adjustments of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

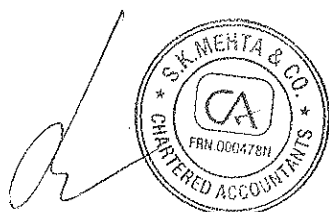
The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, and adjusted prospectively, if appropriate

Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Intangible assets are amortized on written down value method basis over the estimated useful life. Estimated useful life of the Software is considered as three years.

#### **E. lease**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Company as a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

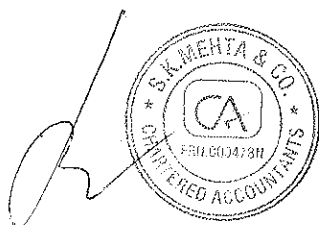
The right-of-use assets are also subject to impairment.

#### **ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.



### iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of twelve months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

## F. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 1. Financial asset

#### a) Initial recognition and measurement

All financial assets are initially recognized at fair value. Transaction costs will be considered as part of the cost of acquisition that are directly attributable to the acquisition or issue of financial assets, which are measured through Fair Value Through Profit and Loss (FVTPL). Purchase and sale of financial assets are recognised using trade date accounting.

#### Fair value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

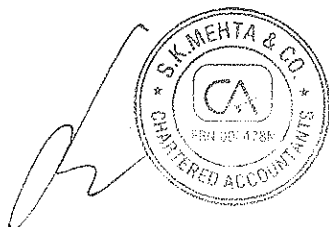
- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial assets in the case of financial assets not recorded at fair value through profit or loss, however transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### b) Subsequent measurement

##### ➤ Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the



Contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

➤ Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For Equity investments the Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

➤ Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at FVTPL.

**c) Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

For other assets, the Company uses twelve month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**2. Financial liabilities**

**a) Financial liabilities: initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**b) Financial liabilities: subsequent measurement**

Financial liabilities are carried at amortized cost using the Effective interest rate (EIR) method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



### **c) Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **3. De-recognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference in the respective carrying amount is recognized in the statement of profit and loss.

## **G. Employee benefits:**

### **1. Short term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### **2. Post-employment benefits**

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Post-employment and other employee benefits are recognised as an expense at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in respect of post-employment and other long-term benefits are charged to the statement of other comprehensive income.

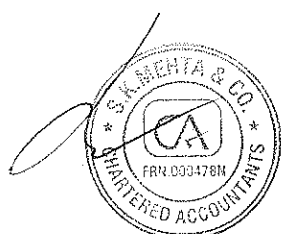
## **H. Income taxes**

Tax expenses comprise of current and deferred tax.

### **a. Current Tax:**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



**b. Deferred Tax:**

Deferred tax is recognized on temporary difference between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax based used in computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**I. Inventories**

Inventories are measured at the lower of cost and Net Realizable Value (NRV). Cost of inventories comprise of all cost of purchase, conversion and other costs incurred for bringing the inventory to their present location and condition but does not include statutory levies of whom input credits is availed by the company.

Cost of raw material, finished goods, stores and spares, packing material, trading and other products are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale

**J. Revenue recognition:**

The Company derives revenues primarily from sale of paints and related products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition. • Identify the contract(s) with a customer;

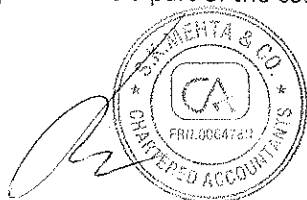
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services, because it typically controls the goods or services before transferring them to the customer.

Revenue excludes amounts collected on behalf of third parties.

**K. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as a part of the cost of assets during the period of time that is required



to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Borrowing cost consist of interest (calculated using effective rate of interest method) and other cost that an entity incurred in connection with the borrowing cost.

Other borrowing costs are expensed in the period in which they are incurred.

#### **L. Provisions, contingent liabilities & contingent assets**

##### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

##### **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

##### **Contingent Assets**

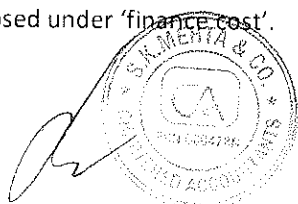
A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

#### **M. Foreign currency transactions**

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency transactions other than export sales are recorded at rates of exchange prevailing on the date of transaction. Export sales are accounted for at monthly average exchange rates. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the rate of exchange prevailing at the year-end. Exchange differences arising on actual payments / realizations and year-end restatements are dealt with in the Statement of Profit and Loss.

Monetary items denominated in foreign currency are revalued at the rates of exchange as on the Balance Sheet date and Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Exchange differences on foreign currency borrowings, are accounted for and disclosed under 'finance cost'.





Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

**N. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments.

**O. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss [excluding other comprehensive income] for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share are the net profit after tax for the year. The weighted average numbers of equity share outstanding during the period are adjusted for events of bonus issue and sub-division of shares.

For the purpose of calculating diluted earnings per share, the net profit or loss [excluding other comprehensive income] for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**P. Use of judgements, estimates and assumptions**

While preparing financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period.

Financial reporting results rely on the management estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

- **Provision and contingencies**  
The assessment undertaken in the recognizing provision and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgement by management regarding the probability of exposure to potential loss. Critical judgements
- The Company's contracts with customers include promises to transfer goods to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements



such as schemes, incentives, cash discounts, etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered

- **Taxes:**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with tax planning strategy.

- **Useful lives of property, plant and equipment**

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

### **Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores (up to two decimals) as per the requirements of Schedule III, unless otherwise stated.

